
Introduced by Senator Speier

February 22, 2005

An act to amend Section 2426 of the Business and Professions Code, relating to healing arts.

LEGISLATIVE COUNSEL'S DIGEST

SB 736, as introduced, Speier. Healing arts: financial interest reporting.

Existing law requires certain healing arts licensees to report the Medical Board of California, at the time of renewal of their license, any financial interest that the licensee or a member of the licensee's immediate family may have in a health-related facility. Existing law defines the term "health-related facility" to include a facility for diagnostic imaging.

This bill would provide that the term "diagnostic imaging" includes any device that provides any combination of specified modalities.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2426 of the Business and Professions
2 Code is amended to read:

3 2426. (a) A licensee shall report to the board at the time of
4 renewal of a license any financial interest that the licensee or a
5 member of the licensee's immediate family may have in a
6 health-related facility. The report shall be made on a form
7 provided by the board.

8 (b) For purposes of this section, all of the following shall
9 apply:

1 (1) A “financial interest” includes, but is not limited to, any
2 type of ownership interest, debt, loan, lease, compensation,
3 remuneration, discount, rebate, refund, dividend, distribution,
4 subsidy, or other form of direct or indirect payment, whether in
5 money or otherwise, to a licensee or the licensee’s immediate
6 family from a health-related facility.

7 (2) A “financial interest” also exists if there is an indirect
8 relationship between a licensee and the health-related facility
9 including, but not limited to, an arrangement whereby a licensee
10 has an ownership interest in an entity that leases property to the
11 health-related facility. Any financial interest transferred by a
12 licensee to, or otherwise established in, any person or entity for
13 the purpose of avoiding the reporting required by this section
14 shall be deemed a financial interest of the licensee.

15 (3) A “financial interest” does not include a licensee’s
16 ownership of corporate investment securities, including shares,
17 bonds, or other debt instruments that are purchased from a
18 licensed securities broker on terms that are available to the
19 general public through a licensed securities exchange or
20 NASDAQ, do not base profit distributions or other transfers of
21 value on the licensee’s referral of persons to the corporation, do
22 not have a separate class or accounting for any persons or for any
23 licensees who may refer persons to the corporation, and are in a
24 corporation that had, at the end of the corporation’s most recent
25 fiscal year, total gross assets exceeding one hundred million
26 dollars (\$100,000,000).

27 (4) “Immediate family” includes a spouse, child, or parent of a
28 licensee, and a spouse of a child of a licensee.

29 (5) “Licensee” means a physician and surgeon licensed
30 pursuant to this chapter.

31 (6) A “health-related facility” shall include a facility for
32 clinical laboratory services, radiation oncology, physical therapy,
33 physical rehabilitation, psychometric testing, home infusion
34 therapy, diagnostic imaging, and outpatient surgery centers.
35 “Diagnostic imaging” shall include, but is not limited to, all
36 X-ray, computed axial tomography, magnetic resonance imaging,
37 nuclear medicine, positron emission tomography,
38 mammography, *or any device that provides any combination of*
39 *those modalities*, and ultrasound goods and services.

- 1 (c) The information reported to the board shall be available to
- 2 government agencies and public or private payers.
- 3 (d) The board may impose appropriate sanctions, including the
- 4 issuance of a citation and civil penalty under Section 125.9,
- 5 against any licensee who fails to comply with this section.
- 6 ~~(e) This section shall become operative on July 1, 1994.~~

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